

## Message Text

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42

ACTION EB-11

INFO OCT-01 AF-10 ISO-00 DRC-01 COME-00 H-03 CIAE-00

INR-10 NSAE-00 RSC-01 OPIC-12 OMB-01 TAR-02 TRSE-00

SIL-01 LAB-06 STR-08 FTC-01 INT-08 SS-20 SP-03 NSC-07

IGA-02 AID-20 CIEP-02 EUR-25 AGR-20 DOTE-00 /175 W

----- 111976

R 301130Z APR 74

FM AMEMBASSY YAOUNDE

TO SECSTATE WASHDC 3109

INFO AMCONSUL DOUALA VIA POUCH

UNCLAS YAOUNDE 1328

E.O. 11652: N/A

TAGS: EIND, EFIN, EK

SUBJ: FOREIGN INVESTMENT CLIMATE AND STATISTICS FOR EQUATORIAL GUINEA

REF: STATE 53993

INTRODUCTION:

AT THE PRESENT TIME, THERE IS NO DIRECT U.S. FOREIGN INVESTMENT IN EQUATORIAL GUINEA. DURING THE PAST YEAR, THERE HAVE BEEN EFFORTS BY AT LEAST THREE AMERICAN PETROLEUM COMPANIES TO TAKE OVER UNUSED EXPLORATION CONCESSIONS WHICH WERE HELD AT ONE TIME BY SEVERAL LARGE AMERICAN OIL COMPANIES. NO OTHER POTENTIAL U.S. INVESTORS IN EQUATORIAL GUINEA HAVE MADE THEIR INTENTIONS KNOWN TO EITHER THE EMBASSY IN YAOUNDE OR THE CONSULATE AT DOUALA.

TO OUR KNOWLEDGE, THE GOEG HAS NEVER PUBLISHED ANY INVESTMENT STATISTICS, BUT IT CAN BE ASSUMED THAT MOST FOREIGN PRIVATE INVESTMENT REMAINS IN THE HANDS OF SPANISH NATIONALS. FOLLOWING IS TEXT OF REPORT ON INVESTMENT CLIMATE:

EQUATORIAL GUINEA

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DEVELOPMENTS IN THE REPUBLIC OF EQUATORIAL GUINEA,

WHICH SECURED ITS INDEPENDENCE FROM SPAIN IN 1968, HAVE GENERALLY CREATED LITTLE CONFIDENCE AMONG POTENTIAL WESTERN FOREIGN PRIVATE INVESTORS. FERVENTLY DEVOTED TO THE CAUSES OF POLITICAL AND ECONOMIC INDEPENDENCE, THE GOVERNMENT OF PRESIDENT FRANCISCO MACIAS NGUEMA BIYOGO HAS PURSUED POLICIES DOMINATED BY THE DESIRE TO LESSEN THE COUNTRY'S ECONOMIC DEPENDENCE ON SPAIN WHICH CONTINUES TO HOLD THE GREATEST SHARE OF GENERAL EXPORT/IMPORT TRADE INCLUDING PURCHASE OF COCOA, EQUATORIAL GUINEA'S MOST SIGNIFICANT EXPORT PRODUCT.

FOLLOWING THE DEPARTURE OF NEARLY ALL RESIDENT SPANISH BUSINESSMEN IN THE MONTHS FOLLOWING INDEPENDENCE, AND IN THE ALMOST TOTAL ABSENCE OF PRIVATE DOMESTIC ENTREPRENEURS, THE STATE HAS BEEN OBLIGED TO SEARCH FOR WAYS OF STIMULATING THE DEPRESSED NATIONAL ECONOMY. THE GOVERNMENT HAS BEEN SUCCESSFUL IN NEGOTIATING TRADING AGREEMENTS AND TECHNICAL ASSISTANCE ARRANGEMENTS WITH CERTAIN OTHER GOVERNMENTS, NOTABLY THOSE OF THE SOVIET UNION, THE PEOPLES REPUBLIC OF CHINA AND CUBA. AN APPARENT EXCEPTION TO THE GENERAL LACK OF INCOMING FOREIGN PRIVATE INVESTMENT HAS BEEN THE ENTRY INTO PRODUCTION DURING 1973 OF A FRENCH AND SPANISH-FINANCED TIMBER EXPORTATION COMPANY IN THE MAINLAND PROVINCE OF RIO MUNI. THE EXPECTED 1975 COMPLETION OF THE PORT OF BATA, FINANCED BY THE GOVERNMENT OF FRANCE, MAY LEAD TO GREATER OPPORTUNITIES FOR PRIVATE FOREIGN INVESTMENT IN RIO MUNI.

THE GOEG MAINTAINS THAT IT IS OPEN TO FOREIGN PRIVATE INVESTORS. AMERICAN BUSINESS VISITORS TO EQUATORIAL GUINEA, ALL ASSOCIATED WITH COMPANIES LOOKING FOR PETROLEUM CONCESSIONS, HAVE FOUND GOVERNMENT OFFICIALS RESPONSIVE. ON THE OTHER HAND, POTENTIAL INVESTMENT IS INHIBITED BY THE LACK OF AN INVESTMENT CODE AND LAWS SPECIFICALLY OUTLINING NATURAL RESOURCE EXPLOITATION.

EQUATORIAL GUINEA IS NOT ASSOCIATED WITH ANY CUSTOMS OR TRADING BLOC. ITS CURRENCY IS SUPPORTED TO A DEGREE BY THE SPANISH PESETA, BUT CONVERTIBILITY IS GREATLY RESTRICTED. A SMALL WORLD BANK LOAN (DOLS. 2.0 MILLION) DEVOTED TO THE DEVELOPMENT OF A HIGHWAY MAINTENANCE PROGRAM WAS UNCLASSIFIED

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INAUGURATED DURING THE COURSE OF 1973.  
MOORE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DATA, FOREIGN INVESTMENTS, BUSINESS FIRMS, INFORMATION SYSTEMS  
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**Copy:** SINGLE  
**Draft Date:** 30 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** STATE 53993  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 SEP 2002  
**Review Event:**  
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**Review History:** RELEASED <06 SEP 2002 by BryanSD>; APPROVED <02 JAN 2003 by shawdg>  
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30 JUN 2005

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**Review Referrals:** n/a  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FOREIGN INVESTMENT CLIMATE AND STATISTICS FOR EQUATORIAL GUINEA  
**TAGS:** EIND, EFIN, EK  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005